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SUBJECT: SUPREME COURT PRESIDENT URGES WORLD BANK LOANS

Classified By: Abelardo A. Arias, Political Counselor, for  
Reason 1.4(d)

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Summary  
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[¶1.](#) (C) Ivan Rincon Urdaneta, President of Venezuela's Supreme Court (TSJ), touted past judicial cooperation with the U.S. and World Bank in a meeting with the Ambassador October 25. Rincon suggested it would be in Venezuelan and U.S. interest for the World Bank to approve the \$45 million loan for the National Modernization Project of the TSJ. The Ambassador reminded Rincon of the consequences of the September 2004 trafficking in persons (TIP) sanction which required the U.S. to vote against loans to Venezuela. The Ambassador asserted that support for the World Bank loan would probably be tied to the perception of independence and autonomy the TSJ could project through its future decisions. End Summary.

[¶2.](#) (C) The Ambassador met with Ivan Rincon Urdaneta, President of Venezuela's Supreme Court (TSJ) and its Constitutional Chamber, on October 25 at Rincon's invitation. Rincon reviewed judicial cooperation between the U.S. and Venezuela and lauded the training of criminal judges in Puerto Rico. He fondly reminisced about his own participation in the International Visitor (IV) program in [¶1993](#). Regarding Venezuela's work with the World Bank, he called it one of the World Bank's most successful projects that should serve as a model for other Latin American countries. The project, he said, has helped the Supreme Court earn a 59% credibility vote from the people.

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The Pitch  
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[¶3.](#) (C) After touting past success in judicial cooperation, Rincon said the National Modernization Project for the TSJ he presented to the World Bank in 2003 had received verbal approval, but was not signed in May 2004 as planned because of the referendum. Venezuela did not need the \$45 million dollar World Bank loan, Rincon told the Ambassador, but the support of the World Bank name was important and a decision was needed. Rincon dismissed World Bank concerns about political risk with the project in Venezuela, citing the TSJ's cooperation with the U.S. Federal Courts and the U.S.

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Embassy as an endorsement. In regards to trafficking in persons (TIP), Rincon asserted that strengthening the TSJ was a way of gaining some control over the situation, and one way to help could perhaps be to provide training regarding prostitution, especially that of minors.

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It's All About Perception  
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[¶4.](#) (C) The Ambassador agreed that cooperation with the TSJ has been positive in the past. Nevertheless, the September 2004 TIP decision meant that the U.S. would have to vote against the loan. But the level of U.S. objection and future support of the World Bank proposal would be tied to how independent and impartial the Supreme Court is perceived to be. The Ambassador noted the following examples that worry the U.S.: the appointment of twelve new members of the TSJ, the proposed media law, the changes to the penal code that would make foreign contributions to nongovernmental organizations (NGOs) illegal, the Sumate case, unresolved allegations of CNE fraud, and increased oil royalties in apparent violation of existing contracts. Did Rincon believe that TSJ decisions on these issues would contribute to concerns about judicial independence?

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The Defense  
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15. (C) Rincon reacted defensively citing the TSJ's independence, autonomy and distance from some of the issues. He said he could not prevent the National Assembly from contemplating the proposed media law, but if the proposed law came before the TSJ and violated the definitions of free press defined in the constitution, it would be overturned. Rincon warned the Ambassador to be wary of politics and the opposition. He asserted that he had recommended Henrique

Capriles be set free, but the Sumate case was still under investigation by the Attorney General and the prosecutor's office and had not reached the Court. Alluding to the National Endowment for Democracy, Rincon said it was not the fault of the U.S. if a bipartisan group designated money for democracy building that was then used for unintended purposes.

16. (C) Rincon also said he was disappointed that all the judges that had been trained had failed the judicial exam and would need to reenter training. He noted the decision to dismiss judge Franklin Arrieche from the TSJ was due to falsified credentials, and reiterated that the TSJ needed credibility. Rincon reasserted the TSJ's independence claiming that 80% of its decisions went against the government. However, he said, he could not do something like delay the regional elections at the request of some when the population was prepared to vote. Noting that much of the Venezuelan judicial system is based on the American system, Rincon reiterated the need for U.S.-Venezuelan judicial cooperation.

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Comment  
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17. (C) Rincon got the message: If he wants USG support for judicial reform projects, the TSJ better not be a Chavez rubber stamp. Rincon reacted defensively but tried to stay upbeat by suggesting that issues had already been resolved or passing the buck to other institutions. That said, the judicial reform project is worth supporting, if for no other reason than giving us continued leverage on TSJ decisions.

Brownfield

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